

REVENUE DEPARTMENT[701]

Notice of Intended Action

Proposing rule making related to COVID-19 grant exclusion and providing an opportunity for public comment

The Revenue Department hereby proposes to amend Chapter 40, “Determination of Net Income,” Chapter 53, “Determination of Net Income,” and Chapter 59, “Determination of Net Income,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed under the authority provided in Iowa Code section 422.68 and 2021 Iowa Acts, Senate File 619, sections 5 through 7.

State or Federal Law Implemented

This rule making implements, in whole or in part, 2021 Iowa Acts, Senate File 619, section 5 through 7.

Purpose and Summary

The purposes of this proposed rule making are to implement the Iowa income tax exclusion for qualifying COVID-19 grants enacted by 2021 Iowa Acts, Senate File 619, division III, and identify state grant programs that qualify for the exclusion. The legislation requires the Department to identify, through rule, state grant programs that meet the definition of “qualifying COVID-19 grant” and thus qualify for the exclusion.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa beyond that of the legislation it implements. The final fiscal note for 2021 Iowa Acts, Senate File 619, division III, estimated a reduction of \$9.2 million in FY 2021 and \$1 million in FY 2022.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—7.28(17A).

Public Comment

Any interested person may submit written or oral comments concerning this proposed rule making. Written or oral comments in response to this rule making must be received by the Department no later than 4:30 p.m. on August 31, 2021. Comments should be directed to:

Michael Mertens
Department of Revenue
Hoover State Office Building
P.O. Box 10457
Des Moines, Iowa 50306
Phone: 515.587.0458
Email: michael.mertens@iowa.gov

Public Hearing

If requested, a public hearing at which persons may present their views orally or in writing will be held as follows:

August 31, 2021
1 to 2 p.m.

Via video/conference call

Persons who wish to participate in the video/conference call should contact Michael Mertens before 4:30 p.m. on August 30, 2021, to facilitate an orderly hearing. A conference call number will be provided to participants prior to the hearing.

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rule making.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Emergency Rule Making Adopted by Reference

This proposed rule making is also published herein as an Adopted and Filed Emergency rule making (see **ARC 5817C**, IAB 8/11/21). The purpose of this Notice of Intended Action is to solicit public comment on that emergency rule making, whose subject matter is hereby adopted by reference.